

CITY OF OAKLAND
AGENDA REPORT

FILED
OFFICE OF THE CITY CLERK
OAKLAND

2004 JUN 10 PM 6:34

TO: Office of the City Manager
ATTN: Deborah Edgerly
FROM: Community and Economic Development Agency
DATE: June 15, 2004

RE: SUPPLEMENTAL REPORT ON THE DRAFT HOUSING ELEMENT AND A RESOLUTION APPROVING A MITIGATED NEGATIVE DECLARATION AND ADOPTING THE UPDATED HOUSING ELEMENT, AN ELEMENT OF THE GENERAL PLAN

SUMMARY

On May 25, 2004 staff presented the draft Housing Element, the Mitigated Negative Declaration, and the Mitigation Monitoring Reporting Program to the Community and Economic Development Committee. It was requested that the Committee recommend approval of the documents to the City Council and authorize submitting the adopted Housing Element to the State Department of Housing and Community Development (HCD) for certification.

Several people commented at the Committee meeting about the environmental review process and amendments to the wording regarding the Condominium Conversion Ordinance. Staff was directed to explain why and when changes were made to earlier draft versions of the Housing Element regarding condominium conversion policies and actions. This supplemental staff report provides the explanation and includes the revised wording to one of the Policies and Actions as requested by the Committee.

FISCAL IMPACT

The requested revisions do not result in any fiscal impacts to the City.

BACKGROUND

The May 2003 Public Review Draft of the Housing Element was circulated for public review in June 2003 with an initial public comment period of approximately 6 weeks. During that time staff held meetings with a group of private, for-profit developers on June 10 and with East Bay Housing Organizations on June 11 to present the document and to solicit comments and suggestions.

On June 18, the draft Housing Element was presented to the City Planning Commission. On June 24, it was presented to the City Council's Community and Economic Development

Item: 14.5
City Council
June 15, 2004

Committee, which accepted the document and forwarded it to the City Council with a recommendation for adoption.

On July 15, 2003 the City Council held a public hearing on the draft Housing Element. After hearing public comments, the Council extended the public comment period until July 31 and requested that staff return in the fall with a response to public comments and issues raised by the City Council. The Council raised a number of questions about the relationship between affordable housing and the concentration of poverty, and about balancing the goals of homeownership and rental housing development. Staff was instructed to provide additional information and policies to address these issues.

On October 21, 2003 staff returned to the City Council with a supplemental staff report and a PowerPoint presentation to address the issues raised earlier by the City Council. Staff presented detailed information and maps on geographic concentration of poverty and the geographic distribution of different racial and ethnic populations. The staff report described several proposed changes to the policies and contained in the Housing Element, including the addition of policies designed to promote an equitable distribution of housing for all economic groups throughout the City.

During this time, there were two important discussions taking place. One was the inclusion of policies and programs to strengthen the City's homeownership opportunities, and the other was the Planning Commission's initiation of a study to amend the Condominium Conversion Ordinance. As staff was making the final revisions to the draft Housing Element, the Goals, Policies and Actions were reviewed to ensure that they were consistent with these recent discussions.

Staff corrected a number of typographical and data errors and updated some tables with newly available information from the 2000 census. When these changes were made, staff noted that action item 5.6.1. pertaining to the review of the condominium conversion ordinance to promote home ownership did not logically belong under the goal of preserving rental housing, so the action was moved to Goal 2: Promote the Development of Adequate Housing for Low- and Moderate-Income Households and placed under Policy 2.2: Affordable Homeownership Opportunities. However, in making this change, staff deleted all language from Policy 5.6, not just the portion pertaining to review of the condominium ordinance (see existing and revised wording below).

The revisions were made, the document was reprinted, and the "December 2003 Submission Draft" was sent to HCD for review on December 12, 2003.

On February 27, 2004 staff published a notice that was widely distributed to all interested parties, neighborhood groups, and published in the Oakland Tribune. The information was also placed on the City's website. Many people picked up copies of the December 2003 Submission Draft Housing Element at the city offices.

On April 21, 2004 the Planning Commission held a public hearing on the draft Housing Element and the environmental documentation and recommended approval to the City Council.

KEY ISSUES

While the draft Housing Element was going through the public review process, a hearing was held before the Planning Commission on proposed changes to the condominium conversion ordinance. It was at that time that residents became concerned about the proposed changes to the Ordinance. Knowing that the Housing Element was being updated, it made sense to review the language in the draft Housing Element. When it was discovered that the wording had changed on the policies and actions related to the Condominium Conversion Ordinance, staff was asked to clarify when and why the changes took place.

The May 2003 Public Review Draft included the following wording:

Goal 5: Preserve Affordable Rental Housing

Policy 5.6 CONDOMINIUM CONVERSIONS

Continue to limit condominium conversions to preserve existing rental housing and protect tenants from displacement.

Action 5.6.1 Condominium Conversion Ordinance

Continue to implement Planning Code provisions that restrict condominium conversions in certain areas of the city unless replacement rental housing is available. Review and amend the ordinance so that conversion is permitted when it provides homeownership opportunities for low- and moderate-income households.

The December 2003 Submission Draft included the following wording:

Goal 2: Promote the Development of Adequate Housing for Low- and Moderate-Income Households

Policy 2.2 AFFORDABLE HOMEOWNERSHIP OPPORTUNITIES

Develop and promote programs and mechanisms to expand opportunities for lower-income households to become homeowners.

Action 2.2.4 Revision of Condominium Conversion Ordinance

The City will consider modifications to its Condominium Conversion Ordinance to provide more opportunities for affordable home ownership, especially to allow existing tenants to purchase their rental units.

Policy 5.6 and Action 5.6.1 were deleted.

As noted by several speakers at the May 25 CEDC meeting, the omission of the original language may have created the impression that the condominium ordinance would not be enforced. As staff noted at that meeting, the condominium ordinance can only be changed by City Council action and remains in full force unless amended by the Council.

RECOMMENDED CHANGES

The CEDC recommended reinstating Policy 5.6 and Action 5.6.1 and leaving Policy 2.2 and Action 2.2.4. The wording will be revised as follows:

Policy 5.6 CONDOMINIUM CONVERSIONS

Continue to limit condominium conversions to preserve existing rental housing and protect tenants from displacement.

Action 5.6.1 Condominium Conversion Ordinance

Continue to implement Planning Code provisions that restrict condominium conversions in certain areas of the City unless replacement rental housing is available. As noted in Action 2.2.4, the City will consider revisions to the Condominium Conversion Ordinance to provide more opportunities for affordable home ownership, especially to allow existing tenants to purchase their rental units. Changes to the Condominium Conversion Ordinance may be made only if adopted by the City Council following appropriate public notice.

ACTION REQUESTED OF THE CITY COUNCIL

Staff recommends that the City Council:

- (1) affirm staff's environmental determination and approve the attached resolution approving the Mitigated Negative Declaration and the Mitigation Monitoring and Reporting Program and direct staff to file a Notice of Determination with the Alameda County Clerk; and
- (2) include Policy 5.6 and Action 5.6.1 in the final Housing Element
- (3) adopt the attached resolution approving the Housing Element and direct staff to forward the Housing Element to the State Department of Housing and Community Development for certification.

Respectfully submitted,

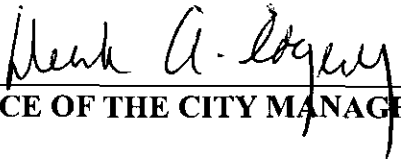


CLAUDIA CAPPIO
Director of Development

Prepared by:
Margaret Stanzione, Planner IV
Strategic Planning Coordinator
Planning and Zoning, Strategic Planning

Jeffrey P. Levin, Housing Development Coord. IV
Housing Policy and Program Coordinator
Housing and Community Development

APPROVED AND FORWARDED TO THE
CITY COUNCIL:



OFFICE OF THE CITY MANAGER